Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
	)	
BellSouth Petition for Pricing Flexibility for Special Access and Dedicated Transport Services	)	WCB/Pricing No. 02-24
	)	
	)	
	)	
	)	

MEMORANDUM OPINION AND ORDER

Adopted: November 22,2002 **Released:** November 22,2002

By the Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. On August 2,2002, BellSouth Telecommunications, Inc. (BellSouth) filed a petition seeking pricing flexibility in the provision of certain interstate access services.[1] Specifically, BellSouth requests pricing flexibility for special access and dedicated transport services in various geographic markets throughout the country. As detailed below, the Commission established the parameters for granting pricing flexibility for special access and dedicated transport services in its ***Pricing Flexibility Order***.[2] In doing so, the Commission recognized the importance of granting pricing flexibility to incumbent local exchange carriers (LECs) as competition develops in the market for interstate access services "to ensure that our regulations do not unduly interfere with the operation of those markets."[3] For the reasons that follow, we now grant BellSouth's petition.[4]

---

[1] See BellSouth Petition for Pricing Flexibility for Special Access and Dedicated Transport Services (filed Aug. 2, 2002); ***Pleading Cycle Established for BellSouth Petition for Pricing Flexibility for Special Access and Dedicated Transport Services***, WCB/Pricing 02-24, Public Notice, DA 02-1925 (rel. Aug. 6, 2002).

[2] ***See Access Charge Reform***, CC Docket No. 96-262, Fifth Report and Order, 14 FCC Rcd 14221 (1999) (***Pricing Flexibility Order***), ***aff'd***, ***WorldCom, Inc. v. FCC***, 238 F.3d 449 (D.C. Cir. 2001) (***WorldCom***). The ***Pricing Flexibility Order*** also addressed flexibility for switched access services, but those services are not at issue in the BellSouth petition.

[3] ***Pricing Flexibility Order***, 14 FCC Rcd at 14224.

[4] In the ***Pricing Flexibility Order***, the Commission amended its rules to delegate authority to the Chief, Common Carrier Bureau (now called the Wireline Competition Bureau) to act on petitions for pricing flexibility involving special access and dedicated transport services. See 47 C.F.R. § 0.291(j)(1).

11. BACKGROUND

2. To recover the costs of providing interstate access services, incumbent LECs charge interexchange carriers (IXCs) and end users for access services in accordance with the Commission's **Part 69** access charge rules.[5] In the ***Access Charge Reform First Report and Order,*** the Commission adopted a market-based approach to access charge reform, pursuant to which it would relax restrictions on incumbent LEC pricing as competition emerges.[6] **At** that time, the Commission deferred resolution of the specific timing and degree of pricing flexibility to a future order.' Subsequently, in the ***Pricing Flexibility Order,*** the Commission provided detailed rules for implementing the market-based approach.*

3. The pricing flexibility framework the Commission adopted in the ***Pricing Flexibiliry Order*** grants progressively greater flexibility to LECs subject to price cap regulation as competition develops, while ensuring that: (1) price cap LECs do not use pricing flexibility to deter efficient entry or engage in exclusionary pricing behavior; and (2) price cap LECs do not increase rates to unreasonable levels for customers that lack competitive alternatives.[9] In addition, the reforms are designed to facilitate the removal of services from price cap regulation as competition develops in the marketplace, without imposing undue administrative burdens on the Commission or the industry."

4. In keeping with these goals, the Commission established a framework for granting price cap LECs greater flexibility in the pricing of interstate access services once they make a competitive showing, or satisfy "triggers," to demonstrate that market conditions in a particular

---

[5] **47** C.F.R. Part **69.** Part **69** establishes two basic categories of access services: special access services and switched access services. ***Compare*** **47** C.F.R. **§ 69.106** ***with*** **47** C.F.R. **§ 69.114.** Special access services employ dedicated facilities that run directly between the end user and an IXC point ofpresence (POP). the physical plant where an IXC connects its network with the LEC network. Charges for special access services generally are divided into channel termination charges and channel mileage charges. Channel termination charges recover the costs of facilities between the customer's premises and the LEC end office **and** the costs of facilities between the IXC POP and the LEC serving wire center. ***See*** **47** C.F.R. **§§ 69.703(a)-(b).** Channel mileage charges recover the costs of facilities (also **known** as interoffice facilities) between the LEC serving wire center and the LEC end office serving the end user. ***See Pricing Flexibility Order,*** **14** FCC Rcd at **14226-27.**

[6] ***Access Charge Reform,*** CC Docket No. **96-262,** First Report and Order, **12** FCC Rcd **15982 (1997)** ***(Access Charge Reform First Report and Order), aff'd, Southwestern Bell v. FCC,*** **153** F.3d **523 (8th** Cir. **1998).**

[7] ***Id.*** at **15989**

[8] ***Pricing Flexibiliry Order,*** **14** FCC Rcd at **14225** (citing ***Access Charge Reform First Report and Order,*** **12** FCC Rcd at **15989, 16094-95**).

[9] ***Pricing Flexibility Order,*** **14** FCC Rcd at **14225.** The Commission instituted price cap regulation for the Regional Bell Operating Companies (RBOCs) and **GTE** in **1991**, and permitted other LECs to adopt price cap regulation voluntarily, subject to certain conditions. ***Policy and Rules Concerning Ratesfor Dominant Carriers,*** CC Docket **No. 87-313**, Second Report and Order, **5** FCC Rcd **6786, 6818-20 (1990).** The ***Pricing Flexibiliry Order*** applies only to LECs that are subject to price cap regulation.

[10] ***Pricing Flexibility Order,*** **14** FCC Rcd at **14225.**

area warrant the relief they seek. Pricing flexibility for special access and dedicated transport services" is available in two phases, based on an analysis of competitive conditions in individual metropolitan statistical areas (MSAs).[12]

5. Phase I Pricing Flexibility. A price cap LEC that obtains Phase I relief is allowed to offer, on one day's notice, contract tariffs[13] and volume and term discounts for qualifying services, so long as the services provided pursuant to contract are removed from price caps.[14] To protect those customers that may lack competitive alternatives, a price cap LEC receiving Phase I flexibility must maintain its generally available price cap constrained tariffed rates for these services.[15] To obtain Phase I relief, a price cap LEC must meet triggers designed to demonstrate that competitors have made irreversible, sunk investments in the facilities needed to provide the services at issue. In particular, to receive pricing flexibility for dedicated transport and special access services (other than channel terminations to end users), a price cap LEC must demonstrate that unaffiliated competitors have collocated in at least 15 percent of the LEC's wire centers within an MSA, or have collocated in wire centers accounting for 30 percent of the LEC's revenues from these services within an MSA.[16] In both cases, the price cap LEC also must show, with respect to *each* wire center, that at least one collocator is relying on transport facilities provided by an entity other than the incumbent LEC.[17]

6. Higher thresholds apply for obtaining Phase I pricing flexibility for channel terminations between a LEC's end office and an end user customer. A competitor collocating in a LEC end office continues to rely on the LEC's facilities for the channel termination between the end office and the customer premises, at least initially, and thus is more susceptible to exclusionary pricing behavior by the LEC.[18] As a result, a price cap LEC must demonstrate that unaffiliated competitors have collocated in at least 50 percent of the LEC's wire centers within an MSA, or have collocated in wire centers accounting for 65 percent of the LEC's revenues

[11] For purposes of pricing flexibility proceedings, "dedicated transport services" refer to services associated with entrance facilities, direct-Wed transport, and the dedicated component of tandem-switched transport. ***Pricing Flexibility Order,*** 14 FCC Rcd at 14234. These services are defined in 47 C.F.R. § 69.2(qq) (entrance facilities), § 69.2(oo) (direct-Wed transport), and § 69.2(ss) (tandem-switched transport).

[12] See 47 C.F.R. § 22.909(a) (definition of MSA)

[13] A contract tariff is a tariff based on an individually negotiated service contract. See ***Competition in the Interstate Interexchange Marketplace,*** CC Docket No. 90-132, Report and Order, 6 FCC Rcd 5880,5897 (1991) (***Interexchange Competition Order);*** 47 C.F.R. § 61.3(o). See *also* 47 C.F.R. § 61.55 (describing required composition of contract-based tariffs).

[14] ***Pricing Flexibiliry Order,*** 14 FCC Rcd at 14287

[15] ***Id.*** at 14234-35

[16] ***Id.*** at 14274, 14277-81; 47 C.F.R. § 69.709(b).

[17] 47 C.F.R. § 69.709(b).

[18] ***Pricing Flexibility Order,*** 14 FCC Rcd at 14279.

from these services within an MSA.[19] Again, the LEC also must demonstrate, with respect to each wire center, that at least one collocator is relying on transport facilities provided by an entity other than the incumbent LEC.[20]

7. Phase II Pricing Flexibility. A price cap LEC that receives Phase II relief is allowed to offer dedicated transport and special access services free from the Commission's Part 69 rate structure and Part 61 price cap rules. The LEC, however, is required to file, on one day's notice, generally available tariffs for those services for which it receives Phase II relief.[21] To obtain Phase II relief, a price cap LEC must meet triggers designed to demonstrate that competition for the services at issue within the MSA is sufficient to preclude the incumbent from exploiting any individual market power over a sustained period. To obtain Phase II relief for dedicated transport and special access services (other than channel terminations to end users), a price cap LEC must demonstrate that unaffiliated competitors have collocated in at least 50 percent of the LEC's wire centers within an MSA, or have collocated in wire centers accounting for 65 percent of the LEC's revenues from these services within an MSA.[22] Higher thresholds apply for obtaining Phase II pricing flexibility relief for channel terminations between a LEC end office and an end user customer. To obtain such relief, a price cap LEC must demonstrate that unaffiliated competitors have collocated in at least 65 percent of the LEC's wire centers within an MSA, or have collocated in wire centers accounting for 85 percent of the LEC's revenues from these services within an MSA.[23] Once again, the LEC also must demonstrate, with respect to each wire center, that at least one collocator is relying on transport facilities provided by an entity other than the incumbent LEC.[24]

III. DISCUSSION

A. Petitions and Comments

8. BellSouth seeks pricing flexibility for certain dedicated transport and special access services listed in its petition and set forth in Appendix A of this order.[25] Appendix B sets

---

19 *Pricing Flexibility Order,* 14 FCC Rcd at 14280-81; 47 C.F.R. § 69.711(b).

20 47 C.F.R. § 69.711(b).

21 *Id.* at 14299-14301; 47 C.F.R. § 69.727(b)(3).

22 *Pricing Flexibility Order,* 14 FCC Rcd at 14299; 47 C.F.R. § 69.709(c).

23 *Pricing Flexibility Order,* 14 FCC Rcd at 14235; 47 C.F.R. § 69.711(c).

24 47 C.F.R. § 69.711(c)

25 We note that the Commission previously granted BellSouth Phase I and II pricing flexibility for certain special access and channel termination services in various geographic areas across the country. *See BellSouth Pricing Flexibility Order* for a listing of those services and MSAs. *BellSouth Petition for Pricing Flexibility for Special Access and Dedicated Transport Services,* CCB/CPD No. 00-20, Memorandum Opinion and Order, 15 FCC Rcd 24588, 24591-92 n.24 and n.25 (Corn Car. Bur. 2000) *(BellSouth Pricing Flexibility Order) aff'd BellSouth Petition for Pricing Flexibility for Special Access and Dedicated Transport Services,* CC Docket No. 01-22, Memorandum Opinion and Order, 16 FCC Rcd 18174 (2001).

forth the various forms of pricing flexibility (Phase I or Phase II) requested by BellSouth and lists the **MSAs** for which the relief is requested.

9. Focal Communications Corporation (Focal), Pac-West Telecomm, Inc. @ac-West), and US LEC Corp. (collectively, "Joint Commenters") filed comments in opposition to BellSouth's petition. The Joint Commenters make four arguments: (1) excessive rates-of-return earned by the RBOCs, rate increases by the RBOCs, and the small number of competitive alternatives demonstrate that the Commission's current standards for pricing flexibility do not accurately identify competitive markets;[26] (2) the Commission's collocation triggers are not meaningful assessments of a competitive market warranting pricing flexibility;[27] **(3)** BellSouth's methodology for verifying its collocation data yields unreliable results; and **(4)** BellSouth failed to provide notice to collocators that BellSouth was relying on their alleged current use of third party transport.[28]

10. In response, BellSouth contends that the arguments regarding the Commission's pricing flexibility rules and triggers are merely collateral attacks on the ***Pricing Flexibility Order*** and that the only issue relevant to this proceeding is whether the petitioner has satisfied the criteria for the grant ofpricing flexibility.[29] BellSouth also argues that all of the collocation arrangements that it relies upon are, in fact, operational.[30] Finally, BellSouth asserts that it sent to collocators a copy of all information about that collocator that BellSouth relies upon in its petition.[31]

B. Adequacy of tbe Pricing Flexibility Rules

11. **As a** threshold matter, we reject arguments by the Joint Commenters regarding the adequacy of the Commission's pricing flexibility rules to identify competitive markets. We have stated repeatedly that we will not consider collateral challenges to the ***Pricing Flexibility Order*** when reviewing a pricing flexibility petition.[32] The only issue here is whether the petition

---

[26] Joint Comments of Focal Communications Corporation (Focal), Pac-West Telecomm, Inc. (Pac-West), and **US** LEC Corp. at **2-4** (filed Aug. **19,2002)** (Joint Commenters).

[21] Joint Commenters at 4-5.

[28] Joint Commenters at 7.

[29] Reply **of** BellSouth Telecommunications **Inc.** at 2-3 (filed **Aug. 29,** 2002) (BellSouth Reply).

[30] BellSouth Reply at **4**

[31] BellSouth Reply at **4** -5.

[32] ***See Petition of Ameritech Illinois, Amerirech Indiana. Ameriiech Michigan. Amerirech Ohio, and Ameritech Wisconsinfor Pricing Flexibility, Petition of Pacific Bell Telephone Companyfor Pricing Flexibility, Petition of Southwestern Bell Telephone Companyfor Pricing Flexibility***, CCB/CPD **Nos.** 00-23, 00-25 and **00-26,** Memorandum Opinion and Order, 16 FCC Rcd 5889 (Corn Car. Bur. **2001);** ***Verizon Petitions for Pricing Flexibilityfor Special Access and Dedicated Transport Services,*** CCB/CPD **Nos.** 00-24, 00-28, Memorandum Opinion and Order, 16FCC Rcd 5876,5881 (Wireline Comp. Bur. 2001). ***See also BellSouth Pricing Flexibility*** (continued....)

satisfies the requirements for pricing flexibility for special access and dedicated transport services set forth in the Commission's rules. Accordingly, we reject the Joint Commenters' arguments regarding the merits of the Commission's pricing flexibility rules.

C. Adequacy of BellSouth's Methodology

12. We also reject the Joint Commenters' argument that the petition must fail because the records upon which BellSouth relies are not sufficient to demonstrate that collocation arrangements are operational and that collocators are using third party transport. In particular, the Joint Commenters argue that the internal collocation records used by BellSouth to demonstrate operational collocation are unreliable because they do not provide the current status of the collocator, *e.g.*, whether the collocator has cancelled the previous third party transport service and is now obtaining transport from BellSouth.[33] These commenters suggest that BellSouth should have used billing records instead.[34] In response, BellSouth asserts that the Joint Cornmenters have rnischaracterized BellSouth's filing as relying only upon information provided by collocators at the time of an initial application for collocation.[35] BellSouth states that it relied upon internal collocation records maintained by BellSouth's Network Infrastructure Planning Group.[36] BellSouth notes that this group manages not only the provisioning of the initial collocation request but also any subsequent requests for additions, modifications, and removals. Thus, BellSouth asserts that these collocation records provide accurate and current information regarding operational collocation arrangements.[37]

13. The Bureau addressed a similar issue when it approved BellSouth's initial petition for pricing flexibility.[38] In the ***BellSouth Pricing Flexibility Order,*** commenters argued that BellSouth had not demonstrated that the collocation arrangements listed in its petition were operational, ***i.e.*,** serving at least one customer. In its initial petition, BellSouth contended that, once collocation space was turned over to a competitor, it did not know for certain whether customers were actually served through the arrangement, and that there was no reason to believe that competitive LECs would have been forthcoming in providing such information to their competitor. Thus, to determine whether collocation arrangements were operational, in its initial petition, BellSouth used its internal records, conducted site examinations, and provided copies of data to each competitive LEC that it used to satisfy the collocation triggers. The Bureau found

(Continued from previous page)
Order, 15 FCC Rcd 24588 (Corn Car. Bur. 2000); ***BellSouth Petition for Phase I Pricing Flexibility for Switched Access Services,*** CCB/CPD No. 00-21, Memorandum Opinion and Order, 16 FCC Rcd 5040,5052 (2001).

[13] Joint Commenters at 6-7.

[34] Joint Commenters at *5-7*

[35] BellSouth Reply at 4.

[36] ***Id.***

[37] *Id.*

[38] ***BellSouth Pricing Flexibility Order.*** 15 FCC Rcd at 24596.

that the efforts undertaken by BellSouth were sufficient to demonstrate that its collocation arrangements were operational.[39]

14. In the current petition, we again find that BellSouth has made sufficient efforts to determine whether its collocation arrangements are operational. BellSouth used its collocation database to determine, for each collocation arrangement, that all construction is complete, alternative transport is present, and that the collocator is in possession of the arrangement.[40] As required by our rules, and despite the Joint Commenters' assertions to the contrary, BellSouth also provided notice to each collocator upon which it relies to satisfy the applicable triggers of BellSouth's contentions regarding that carrier's use of collocation and competitive transport.[41] None of these parties has filed comments in this proceeding or otherwise contested BellSouth's data. Furthermore, in response to the Joint Commenters' argument that BellSouth should have relied on billing records, BellSouth states that its billing records confirm that it is in fact billing each of the collocating entities identified in the petition.[42] Consistent with the decision in the *BellSouth Pricing Flexibility Order,* we find that the effort undertaken by BellSouth with respect to its collocation facilities is sufficient to determine not only the existence of collocation arrangements, but also whether the collocation arrangements are, in fact, operational. Moreover, if BellSouth has reason to believe that collocation arrangements upon which it relies are not operational, despite employing the measures described above, BellSouth is obligated to disclose that information.[43]

15. The Joint Commenters further argue that BellSouth failed to explain how the reliability of records maintained for the purpose of network planning has any relevance to current operational status of third party provided transport.[44] According to the Joint Commenters, the network planning efforts by BellSouth and the RBOCs are seriously deficient in a number of respects. Thus, BellSouth's network planning records should not be viewed as reliable records of collocation and the use of third party transport.[45] In the *BellSouth Pricing Flexibility Order,* however, we approved the use of BellSouth's internal network planning records to determine operational collocation arrangements.[46] In approving the use of these records, we found significant the fact that, with the exception of AT&T, none of the affected CLECS came forward

[39] *Id.*

[40] BellSouth Petition at 4-5.

[41] *See* BellSouth Reply, Attachment 1, Affidavit of Rudine J. Davis (attesting that each collocating entity was sent a copy of BellSouth's petition and an excerpt from attachment 3 to the petition indicating the wire center(s) in which that entity was collocated). *See also* 47 C.F.R. § 1.774.

[42] BellSouth Reply at 4 n.6.

[43] See47 C.F.R.§§ 1.17, 1.65(a)

[44] Joint Commenters at 7.

[45] *Id.* at 7-8

[46] *BellSouth Pricing Flexibility Order,* 15 FCC Rcd at 24596

to refute or deny BellSouth's claim that their collocations with BellSouth were operational.[47] In this case, none of the affected CLECs have come forward to challenge BellSouth's reliance on their collocation arrangements to meet the applicable triggers. Instead, the Joint Commenters have presented only generalized assertions regarding the alleged unreliability of BellSouth's network planning records. In the absence of any specific evidence indicating that those records are unreliable, we reject the Joint Commenters' argument with respect to this issue.

D. Competitive Showing Required for Pricing Flexibility

16. As noted above, pricing flexibility may be granted upon the satisfaction of certain competitive showings. An incumbent LEC bears the burden of proving that it has satisfied the applicable triggers for the pricing flexibility it seeks for each MSA.[48] For special access and dedicated transport services, the Commission established two means of satisfying this requirement. In the first, the incumbent must show: (1) the total number of wire centers in the MSA; (2) the number and location of the wire centers in which competitors have collocated; (3) the name, in each wire center on which the incumbent bases its petition, of at least one collocator that uses transport facilities owned by a provider other than the incumbent to transport traffic from that wire center; and (4) that the percentage of wire centers in which competitors have collocated and use competitive transport satisfies the trigger the Commission adopted with respect to the pricing flexibility sought by the incumbent LEC.[49] Alternatively, the incumbent must show: (1) the total base period[50] revenues generated by the services for which the incumbent seeks relief in the MSA for which the incumbent seeks relief; (2) the name, in each wire center on which the incumbent bases its petition, of at least one collocator that uses transport facilities owned by a provider other than the incumbent to transport traffic from that wire center; and (3) that the wire centers in which competitors have collocated and use competitive transport account for a sufficient percentage of the incumbent's base period revenues generated by the services at issue within the relevant MSA to satisfy the trigger the Commission adopted for the pricing flexibility sought by the incumbent LEC.[51]

17. BellSouth has chosen to proceed under the revenue-based trigger. In doing so, BellSouth used the methodology that it used in its initial pricing flexibility filing and that the Bureau approved in the ***BellSouth Pricing** Flexibility Order*.[52] First, for each MSA in which

---

[47] *BellSouth Pricing Flexibility Order*, 15 FCC Rcd at 24596. AT&T contended that BellSouth erroneously listed AT&T as a collocator for two wire centers, In response, BellSouth provided an affidavit in support of its claim that AT&T did in fact collocate in one of the wire centers in question and that AT&T's subsidiary Teleport did in fact collocate in the other wire center in question. AT&T did not provide a rebuttal to BellSouth's affidavit. *Id.*

[48] *Pricing Flexibility Order*, 14 FCC Rcd at 14309.

[49] 47 C.F.R. § 1.774(a)(3)(i)-(iv)(A).

[50] For price cap LECs, the "base period" is the 12-month period (*i.e.*, the calendar year) ending 6 months before the effective date of the LECs' annual access tariffs. 47 C.F.R. § 61.3(g).

[51] 47 C.F.R. §§ 1.774(a)(3)(i)-(iii), (iv)(B)

[12] *BellSouth Pricing Flexibility Order*, 15 FCC Rcd at 24593.

relief is requested, BellSouth identified at least one collocator that uses transport facilities owned by a provider other than BellSouth to transport traffic from that wire center. BellSouth identified these competitive LECs (CLECs) using its internal collocation records maintained by its Network Infrastructure Planning Group.[53] Using these records, BellSouth **was** able to: (1) identify, and include in its petition, only those CLECs that employed non-BellSouth transport in their collocation arrangements; and (2) identify, and include in its petition, only those arrangements where all work, including the placement of the non-BellSouth cable facilities, had been completed and the site was available for immediate occupancy by the CLEC.[54] Second, BellSouth provided aggregate 2001 base period billing revenues generated by the services for which it seeks relief in each MSA.[55] The billing revenues for those products and services eligible for pricing flexibility were obtained from BellSouth's Billed Carrier Access Tracking System (BCATS), Customer Access Billing System (CABS), and Customer Record Information System (CRIS).[56] BellSouth then allocated these revenues for the services at issue to individual wire centers, and distinguished end user channel termination revenue from other special access revenue, as required by Commission rules.[57] Third, BellSouth submitted data showing that the wire centers in which competitors have collocated account for a sufficient percentage of its base period revenues generated by the services at issue within the relevant MSA **or** non-MSA area to satisfy the trigger the Commission adopted with respect to the pricing flexibility that it sought. No party has challenged BellSouth's method of identifying revenue associated with the services at issue.

18. After reviewing BellSouth's verification method, as described in the petition, together with the data provided in the public and confidential versions of its petition and in its reply, we find that BellSouth has met the applicable triggers in section 1.774 of the Commission's rules.[58] Based upon a review of the information submitted, we conclude that BellSouth has satisfied its burden of demonstrating that it has met the applicable triggers for each of the various services and MSAs for which it requests relief.

IV. ORDERING CLAUSES

19. Accordingly, IT **IS** ORDERED that, pursuant to section 1.774 of the Commission's Rules, 47 C.F.R. § 1.774, and the authority delegated by sections 0.91 and 0.291 of the Commission's Rules, 47 C.F.R. §§ 0.91 and 0.291, and the ***Pricing Flexibility Order,*** the

[53] **As discussed above, this group manages the provisioning** of **the initial collocation request as well as subsequent requests** for **additions, modifications, and removals. BellSouth Reply at 4.**

[54] BellSouth Petition **at 4-5**.

[55] *Id.* **at 5.**

[56] ***Id.***

[57] ***Id.* at 6-10.**

[58] **47** C.F.R. § **1.774.**

petition filed **by** BellSouth Telecommunications, Inc. IS GRANTED to the extent detailed herein.

FEDERAL COMMUNICATIONS COMMISSION

William F. Maher, Jr.
Chief, Wireline Competition Bureau

APPENDIX A
SERVICES QUALIFYING FOR PRICING FLEXIBILITY

Special Access Services Basket

BellSouth SPA Metallic
BellSouth SPA Telegraph
BellSouth SPA VG
BellSouth SPA WATS Lines
BellSouth SPA Program Audio
BellSouth SPA Broadcast Quality Video
BellSouth SPA Commercial Quality Video
BellSouth SPA DS3 Digital Video
BellSouth SPA Modular Video Transport Service
BellSouth SPA 70 MHz Transport
BellSouth SPA Uncompressed Switched Video
BellSouth SPA Wideband Analog
BellSouth SPA Wideband Data
BellSouth SPA Derived Data Channel
BellSouth SPA DSO Digital Data
BellSouth SPA High Capacity
BellSouth SPA DS1
BellSouth SPA Point *to* Point
BellSouth SPA Managed Shared Ring
BellSouth SPA DSI & DS3 Shared Ring
BellSouth SPA Dedicated Ring
BellSouth SPA Customer Reconfiguration
Dry Fiber
BellSouth ADSL Service
BellSouth SPA Managed Shared Network Service

Trunking Services Basket

BellSouth SWA VG
BellSouth SWA DSO
BellSouth SWA DS1
BellSouth SWA DS3
BellSouth SWA Dedicated Ring
BellSouth SWA Managed Shared Network Service
BellSouth Managed Shared Ring Service
CCS7 Signaling Connection and CCS7 Signaling Termination
Dedicated Network Access Lines (DNALs)
BellSouth Exchange Access Frame Relay Service
BellSouth Exchange Access Connectionless Data Service
BellSouth SPA Managed Shared Frame Relay Service

BellSouth SPA Managed Shared ATM Service
BellSouth Exchange Access Asynchronous Transfer Mode Service

APPENDIX B

PRICING FLEXIBILITY RELIEF FOR DEDICATED TRANSPORT AND SPECIAL ACCESS SERVICES

MSA	Type of Relief Requested
Evansville, *INKY*	Phase I and II
Lexington-Fayette, *KY*	Phase I and II
Outside MSA Areas, *KY*	Phase I
Owensboro, *KY*	Phase I and **II**
Burlington, NC	Phase I
Outside MSA Areas, NC	Phase I
Clarksville-Hopkinsville, TN/KY	Phase I and II

PRICING FLEXIBILITY RELIEF FOR CHANNEL TERMINATIONS TO END USERS

MSA	Type of Relief Requested
Evansville, IN/KY	Phase I and II
Owensboro, KY	Phase I and II
Lafayette, LA	Phase II
Burlington, NC	Phase I
Columbia, **SC**	Phase II
Clarksville-Hopkinsville, TN/KY	Phase I